



DEPARTMENT OF THE NAVY
NAVSUP FLEET LOGISTICS CENTER NORFOLK
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NORFOLK, VA 23511-3392

IN REPLY REFER TO
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J&A No. 15761

**JUSTIFICATION & APPROVAL
OTHER THAN FULL AND OPEN COMPETITION
(SOLE SOURCE)**

1. IDENTIFICATION OF AGENCY AND CONTRACTING ACTIVITY:

Requiring Activity: Commanding Officer
Navy Cyber Defense
Operations Command (NCDOC)
1265 Guadalcanal Road Ste 8
Virginia Beach, VA 23459

Contracting Activity: Commanding Officer
NAVSUP Fleet Logistics Center Norfolk (FLCN)
Contracting Department, Code 200
Norfolk, VA 23511

Requisition Number: N3029A15RC105FS TRX
N3600115RC047FS

2. NATURE AND DESCRIPTION OF ACTION: Request approval to issue a firm-fixed-price contract for commercial services to Microsoft Corporation on a sole source basis. The requirement is for Microsoft Consulting and Premier Support Services in support of the NCDOC mission. The type of funding to be used is fiscal year 2015 Operations and Maintenance, Navy. The total estimated dollar value of this acquisition is [REDACTED]. This is a commercial services acquisition that will be awarded subject to FAR 13.5 – “Test Program for Certain Commercial Items”.

3. DESCRIPTION OF SUPPLIES/SERVICES: The services required are to complete two tasks:

TASK #1: The contractor will provide Microsoft Consulting and Premier Support Services to NCDOC for the planning, deployment, and configuration of System Center Operations Manager (SCOM) software and the management packs needed to monitor NCDOC's servers. The solutions, assistance, and consultation work will require access to Microsoft proprietary (closed-source) code which is exclusive to the Microsoft Corporation.

TASK #2: The contractor will develop and implement a plan for a phased deployment of BitLocker and Microsoft BitLocker Administration Monitoring (MBAM) on NCDOC Non-Classified Internet Protocol Router Network (NIPR) for approximately 600 Windows 8/8.1 systems with the ability to scale over time. The solutions, assistance, and consultation work will require access to Microsoft proprietary (closed-source) code which is proprietary and exclusive to the Microsoft Corporation.

4. IDENTIFICATION OF STATUTORY AUTHORITY: Section 4202 of the Clinger-Cohen Act of 1996 - a sole source acquisition under the authority of the test program for certain commercial items, as implemented by FAR 13.501(a).

5. **DEMONSTRATION OF CONTRACTOR'S UNIQUE QUALIFICATIONS:** NCDOD maintains both Unclassified and Classified Excepted Networks and must remain fully operational at all times in support of the Information Dominance Force mission. The unique and highly technical requirements of NCDOD necessitate the involvement of personnel with the capability to modify Microsoft closed-source code.

According to Microsoft's Navy Enterprise Service Executive, no other organization or Microsoft partner is authorized, or possesses the licensed capability, to modify Microsoft closed-source code. The Service Executive further stated that any modification to closed-source code of packaged software would deem the capability unsupportable. Therefore, Microsoft Corporation is the only provider capable of successfully installing Microsoft SCOM and MBAM on the NCDOD networks to ensure full utilization of all architecture and security features to protect, support, and maintain the Cyber Defense Mission Support System (CDMSS) and other NCDOD mission critical capabilities.

6. **DESCRIPTION OF EFFORTS MADE TO SOLICIT OFFERS FROM AS MANY OFFERORS AS PRACTICABLE:** A combined synopsis/solicitation, as required by FAR 5.201, will be published on the Government-wide Point of Entry. The synopsis will describe the Government's intent to award a resultant contract on a sole-source basis.

The Contract Specialist conducted research to determine the number and locations of Microsoft Gold and Silver partners. The Contract Specialist then contacted multiple Microsoft partners, two of whom responded, to inquire whether or not partners had the authority/capability to view and alter closed-source code. The Contract Specialist was informed only Microsoft Consulting and Premier Support Services had the authority and the leverage to view and/or alter closed-source code. This information was independently verified by the Microsoft Navy Enterprise Services Executive.

7. **DETERMINATION OF FAIR AND REASONABLE COST:** A determination of fairness and reasonableness of price will be based on the Procuring Contracting Officer's price analysis of the contractor's quote in accordance with FAR 13.106-3.

8. **ACTIONS TAKEN TO REMOVE BARRIERS TO COMPETITION:** It is unlikely Microsoft will grant its service partners authority to manipulate closed-source code, therefore, any installation of software which requires this level of access will be sole-sourced to Microsoft for the foreseeable future. However, each future requirement will be examined on an individual basis and market research will be performed to determine the most logical and appropriate acquisition approach. If another potential source emerges, FLCN will assess whether competition for future requirements is feasible.

9. **CONTRACTING POINT OF CONTACT:** The point of contact at NAVSUP Fleet Logistic Center Norfolk is Tom Armstrong, who can be reached at (757) 443-3115 or by email at thomas.armstrong@navy.mil.